### 1/30/78 [2]

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## THE WHITE HOUSE WASHINGTON January 30, 1978

#### Frank Moore

The attached was returned in the President's outbox today and is forwarded to you for your information and appropriate handling. Please deliver the attached letters to Senators Sparkman and Case.

Rick Hutcheson

cc: Zbig Brzezinski

RE: FOREIGN ASSISTANCE

## THE WHITE HOUSE WASHINGTON

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	Comments due to
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### THE WHITE HOUSE WASHINGTON

1/27/78

Mr. President:

No comment from Frank Moore.

Rick

#### NATIONAL SECURITY COUNCIL

January 23, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ZBIGNIEW BRZEZINSKI

R

SUBJECT:

Reply to Letter on Foreign Assistance from

Senator Humphrey and Senator Case

Senator Humphrey and Senator Case wrote you on December 13th, 1977, announcing their intent to revise the foreign assistance legislation and expressing concern over the coordination of foreign assistance with international economic policy (Tab C). Frank Moore replied shortly thereafter and, because of Senator Humphrey's interest in new foreign assistance legislation, State, AID, OMB, NSC, Treasury and Henry Owen met frequently with Senator Humphrey's staff and the staff of the Foreign Assistance Subcommitte. Work in the Senate on a new aid bill has now been completed.

Consultations with both the House and Senate continue. We hope to relate the new foreign assistance bill which will be introduced in the Senate to the Administration's own examination of the organization of foreign assistance and to our objectives regarding our bilateral and multilateral assistance programs.

To indicate the Administration's desire to continue consultations with the Congress letters have been prepared for you to send to Senator Sparkman, Chairman of the Senate Foreign Relations Committee and to Senator Case, Ranking Minority Member of the Committee.

#### Recommendations:

That you sign the letter to Senator Sparkman at Tab A.

That you sign the letter to Senator Case at Tab B.

# THE WHITE HOUSE WASHINGTON January 30, 1978

#### To Senator Sparkman

Before his untimely death, Senator Humphrey, together with Senator Case, had written me concerning revisions and improvements in foreign assistance legislation. It goes without saying how much we will miss Hubert's contribution to the development of our foreign assistance programs, as well as to other areas of national policy.

As Senators Humphrey and Case indicated, the Foreign Assistance Act of 1961, as amended, needs a thorough review. I will be considering carefully various proposals to this end, including the Humphrey-Case bill.

As for coordinating foreign assistance with the rest of our international economic strategy as well as improving the effectiveness of our programs, let me assure you that we are making major efforts to strengthen our performance on both accounts. Secretaries Vance and Blumenthal, AID Administrator Gilligan, and others will be addressing these issues in upcoming testimony.

Sincerely,

The Honorable John J. Sparkman

U.S. Senate

Washington, D.C. 20510

## THE WHITE HOUSE

January 30, 1978

#### To Senator Case

I appreciate your letter of December 13th regarding your efforts to revise and improve foreign assistance legislation. I know these were also Hubert's thoughts. It goes without saying how much we will miss his contribution to the development of our foreign assistance programs, as well as to other areas of national policy.

I agree that the Foreign Assistance Act of 1961, as amended, needs a thorough review. I will be considering carefully various proposals to this end, including the Humphrey-Case bill.

As for coordinating foreign assistance with the rest of our international economic strategy as well as improving the effectiveness of our programs, let me assure you that we are making major efforts to strengthen our performance on both accounts. Secretaries Vance and Blumenthal, AID Administrator Gilligan, and others will be addressing these issues in upcoming testimony.

Sincerely,

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The Honorable Clifford P. Case

U.S. Senate

Washington, D.C. 20510

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HOWARD H. DAKER, JR., TERR.

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COMMITTEE ON FOREIGN RELATIONS
WASHINGTON, D.C. 20510

December 13, 1977

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Dear Mr. President:

In March of this year during the hearings of the Foreign Assistance Subcommittee on the FY 1978 foreign aid bill, we indicated that we intended to write new foreign assistance legislation during the second session of this Congress. We also expressed the hope that we could work together with the Executive Branch in the development of that legislation.

United States foreign aid programs operate under the authority of the Foreign Assistance Act of 1961, which has been amended on numerous occasions since that date to reflect changing world conditions and numerous Congressional concerns. The result is an amalgam of provisions—some out of date, some contradictory—that make it very difficult to administer a coherent aid program. Although a number of excellent provisions have been added, such as the New Directions focus of the 1973 amendments, the Act no longer contains the clear policy direction and the proper organizational structure to deal effectively with the complexity of United States relationships with the developing countries.

We have followed the progress of the Administration's various studies and reviews of foreign assistance programs with great interest and some concern. We find that the studies address primarily issues of the recent past and some of the controversies engendered by past AID administration of its programs. The studies seem to approach the entire topic of an appropriate level of effort in a policy vacuum, discussing in theoretical terms purported resource needs of the developing countries and possible aid levels in ways that largely overlook political realities in the Congress and throughout the country. The studies are essentially silent with respect to an appropriate role for foreign assistance programs within the total

The President
The White House

international set of economic relationships--trade and commodity prices, investment, technology transfer. is insufficient stress on the need to make aid programs more effective and efficiently administered both by ourselves and by recipients. We also find lacking a sense of how foreign assistance can fit effectively as a major priority within U.S. foreign policy interests in an increasingly important Third World. There is little in the studies that would persuade a large body of opinion in the Congress to support larger authorizations (and appropriations) for foreign assistance.

We are convinced that there are vital issues to be faced in foreign assistance, and therefore we still believe that we need to strive in the coming year to make the necessary legislative and administrative changes in our assistance efforts. The present Foreign Assistance Act should be replaced with a new, streamlined law that clearly sets forth an effective policy and operational framework for our assistance efforts and places it in the proper context of overall U.S. policy towards the Third World.

We both understand that the relevance and effectiveness of our aid programs must be improved before aid levels are increased substantially. We want you to know that we plan to introduce legislation to replace the Foreign Assistance Act of 1961 in the next session of Congress. We look forward to working together on the development of that bill.

Sincerely,

Ranking Member

Cha i rman

Subcommittee on

Foreign Assistand

Hubert H. Humphiley

The Honorable John Sparkman

#### THE WHITE HOUSE

WASHINGTON

DATE: 25 JAN 78

FOR ACTION: FRANK MOORE (LES FRANCIS)

INFO ONLY: JIM MCINTYRE

BRZEZINSKI MEMO DATED 1/23/78 RE REPLY TO LETTER ON SUBJECT:

FOREIGN ASISTANCE FROM SENS. HUMPHREY AND CASE

- + RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
- BY: 1100 AM FRIDAY 27 JAN 78

ACTION REQUESTED:

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

## ■THE WHITE HOUSE WASHINGTON

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AGENCY REPORT
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Comments due to
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THE WHITE HOUSE WASHINGTON

January 30, 1978

Hamilton Jordan

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

RE: CAB APPOINTMENTS

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THE PRESIDENT HAS SEEN.

### THE WHITE HOUSE

WASHINGTON

January 27, 1978

Ham

MEMORANDUM FOR THE PRESIDENT

FROM:

HAMILTON JORDAN HIS

SUBJECT:

Civil Aeronautics Board

In 1977, Chairman Alfred Kahn and Republican Member Elizabeth Bailey, both of whom are economists by training, were confirmed by the Senate to serve on the Civil Aeronautics Board.

With Bailey's fairly consistent support, Chairman Kahn has been a key advocate of your legislative proposals to increase competition within the airline industry. Furthermore, Kahn's leadership has insured that the CAB as a whole has furthered the Administration's commitment to deregulation.

Recently, the CAB has become more active in international route designations, and the Board has participated in negotiations with other countries. These activities, as you can well imagine, have forced the CAB to recognize international trade and foreign policy implications, in addition to the usual host of economic regulation and airline industry questions.

For your third appointment to the CAB, there are two people who will would like to bring to your attention.

The first, Travis Johnson, is an attorney from El Paso who is a leader in the Texas business community. As a member of the Board of Directors of a state bank, a bank holding company, and a company owning a local newspaper, Mr. Johnson knows the potential impact of a regulatory agency upon a corporation; as a member and former Chairman of the Public Service Board of the City of El Paso, he has had to exercise the rate-making authority and other regulatory powers invested in this Board.

Mr. Johnson has also served on the Board of Regents of the University of Houston and on the Boards of several mental health associations. You may recall that he advanced Mrs. Carter's recent trip to El Paso.

All who know Mr. Johnson consider him to be a first-rate lawyer with excellent judgment. He has also been a leading figure in the Texas Democratic Party, although he has taken a low profile in most circumstances, and he enjoys the very strong support of Senator Bentsen.

The second person I bring to your consideration is Paula Stern. Ms. Stern first came to my attention a year ago when she took leave from her job as the senior legislative aide to Senator Gaylord Nelson to work with our foreign affairs task force. Her background includes a Ph.D. from the Fletcher School of Law and Diplomacy and several years on assignment as a journalist in the Middle East, the Far East, and Europe, as well as her years as a Senate staff member.

In my own conversations with Paula, I have found her to be bright, articulate, and forceful. Others who have known her longer and who have worked with her have high regard for her intellectual abilities, her objectivity and her basically good political instincts. She is a strong supporter of deregulation, she has the personal qualities to be a first-rate member of a regulatory agency, and her international trade expertise would give the Board strength in an area that will be important in the months ahead.

Mr. Johnson and Ms. Stern would each make a significant contribution to the CAB. Mr. Johnson is a highly successful and pragmatic attorney with a good deal of street sense; Ms. Stern is an extremely intelligent and perceptive person who was considered to be one of the top Senate staff members.

Although neither one has any significant aviation background, either one would quickly become a productive member in his or her own way. Perhaps the best way to compare the two would be by this analogy: Travis Johnson is to Paula Stern as Bob Strauss is to Mike Pertschuk.

Frank Moore can verify the intensely high level of interest that Senator Bentsen has expressed in Mr. Johnson. Although no Senators have urged repeatedly on behalf of Ms. Stern, I am confident that many Senators who know her well would agree that she would do an excellent job.

I recommend that you meet with one or both people. I join with Chairman Kahn in urging that a decision be made as soon as possible.

Schedule appointments with:

 Travis	Johnson
 Paula	Stern

Hamsee we

#### TRAVIS C. JOHNSON

Travis C. Johnson: Native of El Paso, Texas; Age: 40 years old; speaks Spanish fluently; resides at: 404 Wayne Way, El Paso, Texas 79915, with wife, Annabelle, and daughter, Heather.

#### Occupations

Attorney-at-Law; presently engaged in private practice of law as a partner in the firm of Johnson & Bowen, with law offices located in Suite 800, El Paso National Bank Building, El Paso, Texas 79901.

Chairman, Board of Directors, Border City Bank, El Paso, Texas, and Member, Board of Directors, Trans Texas Bancorporation, Inc. (a Texas corporation that owns three national and two state banks).

Member, Board of Directors, Alpine Publications, Inc. (Owns a newspaper).

#### Education

Graduated from Ysleta High School, El Paso, Texas; played varsity football and ran track; elected President of Lettermen's Club. Selected as Outstanding Ex-Student in 1965.

Received B.B.A. degree and Commission in U. S. Army as a Second Lieutenant from Texas A. & M. University; while at A. & M., elected as Senior Class Officer, served as Cadet Company Commander, Member of Cadet Court, and Member of Honor Code Council.

Received Doctor of Jurisprudence degree from University of Houston; while at University of Houston, elected as Vice President of law school student body

and President of Phi Delta Phi Legal Fraternity; selected as outstanding Phi Delta Phi graduate at the University of Houston for 1962 and a recipient of the Bancroft-Whitney Legal Scholastic Award.

#### Public Service

Assistant County Attorney, El Paso County, Texas, 1962-1964. First Assistant County Attorney, El Paso County, Texas, 1964-1965. County Judge, El Paso County, Texas, 1965-1967. (The County Judge in Texas is the Presiding Officer of the "Commissioner's Court", which is the governing body in County government. He also performs certain judicial functions and serves as Ex-Officio Superintendent for County Schools). City Attorney for Dell City, Texas, 1967-1971. Member, Public Service Board of the City of El Paso, Texas, 1970-1976; served as Chairman of the Board from February 1973 until January 1976; received award for outstanding service to the community from the El Paso Mayor and City Council, January 8, 1976. Public Service Board of El Paso consists of the Mayor and four citizens appointed by the City Council. The Board has complete management and control of the City of El Paso's water and sewer utility. This includes rate-making authority). Member, Board of Regents, University of Houston, since 1969; Chairman, Investment Committee; current appointment made by Honorable Dolph Briscoe, Governor of Texas.

#### Military Service

First Lieutenant, Artillery, Reserve Commissioned Officer of the Army. Received Honorable Discharge, August 14, 1967.

#### Professional Organizations

El Paso Bar Association, State Bar of Texas, American Bar Association, El Paso Trial Lawyers Association, Texas Banker Association and American Banker Association.

#### Current Civic Activities

Steering Committee, GOALS for El Paso; Ysleta Lions Club; Governor's Committee on Water for Texas; El Paso Chamber of Commerce.

#### Past Civic Activities

President, Board of Directors, El Paso County Mental Health Association, 1969-1970; Chairman, Board of Managers, Casa Blanca Half-Way House, 1968-1969; Planning and Development Committee for the El Paso Regional Academic Health Center of Texas Tech University School of Medicine; Former Board Member of: Texas Law Enforcement Foundation; El Paso Industrial Development Corporation; El Paso Child Guidance Center; Texas Council for Higher Education; and, Texas Association for Mental Health.

#### Other Awards

Distinguished Service to Youth of Texas Award, 1966, presented by Texas Youth Development Foundation.

#### COMMENTS ON TRAVIS JOHNSON

#### Bob Armstrong

Travis is a very able lawyer. I have never felt that Travis was anything other than a sharp and savvy person.

I have no idea of any aviation background.

#### John White

The CAB would be a great place for Travis.

#### Chuck Parrish

Travis Johnson worked very hard and very effectively for the President.

He is a brass-collared Democrat, who is a leader in El Paso. He is a conservative, and I would expect him to be very supportive of deregulation.

## THE WHITE HOUSE WASHINGTON

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ENROLLED BILL
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CAB DECISION
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Comments due to
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#### COMMENTS ON PAULA STERN

#### Senator Gaylord Nelson (D-Wisconsin)

In her work in the Senate, Paula has been perceptive, responsible, and skeptical of easy answers and prevailing current wisdom. She is a serious foreign policy professional who is also well attuned to the subtleties of domestic politics. As a member of the Commission, she could be relied on to weigh complex competing interests with sensitivity to their impact on both our foreign policy and domestic situation. Her appointment would be a credit to the Administration.

#### Senator Jim Sasser (D-Tennessee)

I have known Paula and her family a long time. She pursued an extraordinary academic and journalistic career. The list of articles published in prestigious journals and newspapers is one more indication of the calibre of contribution she has already made to the body of thought on current international issues. I am convinced she would be an excellent choice.

#### Harry Huge, Rogovin, Stern and Huge, Washington, D. C.

I worked with her on a daily basis from July through November. She was a foreign policy analyst for the campaign and during transition. She is bright, talented, has practical judgment and good common sense. I am very, very impressed with her.

#### Alan Wolff, Deputy Special Trade Representative

Paula Stern is among the top three or four most able people I've known. She is unquestionably bright and capable.

#### Ray Calamaro, Deputy Assistant Attorney General

Paula and I worked together for Senator Nelson. She is highly respected, thoughtful, smart, thorough, and has good and practical judgment. She has that rare ability to make people feel comfortable and feel they can trust her. She would be a superb appointment.

## PAULA STERN 3314 Ross Place, N. W. Washington, D. C. 20008

EMPLOYMENT	
2/76 - 11/76	Senior Legislative Assistant to Senator Gaylord Nelson
11/76 - 1/77	Policy Analyst, Carter-Mondale Transition Team
1/75 - 1/76	Guest Scholar, The Brookings Institution
1/72 - 12/74	Legislative Assistant to Senator Gaylord Nelson
Summer, 1969	Staff Writer, The New Republic Magazine
Summer, 1966	Intern, Office of U.S. Congressman George Grider
EDUCATION	
May, 1976	Ph.D., Fletcher School of Law and Diplomacy
June, 1970	Masters Degree, Arts of Law and Diplomacy in International Affairs
June, 1969	Masters Degree, Arts in Regional Studies, Harvard University
June, 1967	B.A., Political Science, Goucher College
HONORS	
1970 - 1971	Alicia Patterson Foundation Award to travel and report for one year from the Middle East and North Africa
1967 - 1969	Harvard University - National Defense Foreign Language Fellowship
White, Female Democrat	

Age - 32

### COMMENTS FROM BOB STRAUSS ON TRAVIS JOHNSON AND PAULA STERN

Paula Stern and Travis Johnson would both represent the President well but from different perspectives.

Travis is an excellent lawyer and would have made a good Chairman. I have seen him operate and he is able, strong politically with the Texas delegation, and knows how to use his muscle. I would compare him to Clark Clifford -- he knows how to get the job done. He would be loyal to the President.

Paula is bright and more of an intellectual. I liked what I saw and wish she were on my staff. They just are not in the same class in terms of experience and background. Travis can help us deal with problems that reach beyond the CAB.

## THE WHITE HOUSE WASHINGTON

January 30, 1978

#### Jim McIntyre

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

#### Rick Hutcheson

cc: Stu Eizenstat

RE: COAL SLURRY PIPELINE: RIGHT-OF-WAY DETERMINATION ACROSS PRIVAT LANDS



#### EXECUTIVE OFFICE OF THE PRESIDENT

#### OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JAN 2 4 1978

ACTION

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JAMES T. MCINTYRE, JR. June M. Lontyre

SUBJECT:

Coal Slurry Pipeline: Right-of-way Determination Across Private Lands

#### Background

The major issue of whether DOE or DOI should have responsibility for coal slurry pipeline right-of-way determinations across private lands remains unresolved. It is necessary to resolve this issue so that we can communicate to Congress the complete position of the Administration on Coal Slurry Pipeline legislation (H.R. 1609). The roles of DOE, DOI and DOT in the pipeline certification process already resolved are that:

- Department of Energy (DOE) will issue the certificate of public convenience and necessity, contingent upon
  - Department of Transportation (DOT) concurrence with regard to a pipeline's impact upon other modes of transportation and
  - Department of Interior (DOI) concurrence with regard to a pipeline's impact on water resources, and right-of-way across public lands (but the issue of right-of-way determinations across private lands is unresolved and now requires your decision).
- Joint regulations will be promulgated by DOE, after concurrence by DOI and DOT.

#### Discussion

Who should make the right-of-way determinations across private lands?

DOI argues that since it already has the responsibility for right-of-way determinations across public lands, that it should be the agency to determine right-of-way across private lands. DOI contends that a unified assessment of both public and private lands is necessary to evaluate and deal with the land use, natural resource management and environmental effects of a coal slurry pipeline. DOI strongly believes that the additional option for DOE determination after "consultation" with DOI is illusory since this would take place in any event and is required under other statutes, such as NEPA.

DOE points out that the logic behind the Administration's energy organization legislation which shifted Interstate Commerce Commission and Federal Power Commission pipeline functions to DOE is pertinent to this issue of right-of-way determinations across private lands. DOE is now the certifying agency for oil and gas pipelines. As the certifying agency also for coal slurry pipelines, DOE has the lead responsibility for the provisions of the legislation and will seek concurrence in those areas which are clearly within DOT's and DOI's existing jurisdictions. Such certification action is consistent with current government procedures, e.g. Federal Highway Administration approval of interstate highways. DOE argues that right-of-way determinations across private lands is not within DOI's existing responsibilities.

#### Recommendation

OMB recommends that DOE have responsibility for the right-of-way determinations across <u>private</u> lands, since it is the certifying agency for the whole pipeline. It is not unusual or necessarily unwise for mission agencies to make decisions which have natural resources consequences. Indeed, NEPA was enacted to ensure that those consequences are fully explored and revealed in such situations. As the lead agency, however, DOE should have an affirmative responsibility to consult with DOI with respect to natural resources impacts of the proposed pipeline routes.

#### Decision

Right-of-way determinations across <u>private</u> lands should be the responsibility of

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DOE after consultation with DOI (OMB)	
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#### THE WHITE HOUSE

WASHINGTON

January 30, 1978

MEMORANDUM FOR

THE PRESIDENT

FROM

STU EIZENSTAT

SUBJECT:

Coal Slurry Decision Memorandum

After months of negotiating, the Departments of Interior and Energy still disagree on the interpretation of your original decision regarding the Administration's proposal for dividing coal slurry decisions among their two Departments and the Department of Transportation. The attached OMB memorandum presents the current disagreement.

In the original memorandum, you favored the compromise option I recommended which divided the responsibility as follows:

"I recommend that DOE be the lead agency, but that DOT and DOI should have veto power. 'threshold' determination -- whether coal is needed at a certain place -- is DOE's. DOE would set a slurry proposal in motion; DOT would determine whether slurry is the best means of transportation, and DOI would determine if water and a right-of-way can be provided consistent with natural resource policies. If either DOT or DOI judged the slurry inadvisable, DOE would have the option to appeal to the President on the basis of overriding national interest. When a slurry is approved, the certificate would be issued and the pipeline would be regulated by DOE. I feel this is preferable to the other options." (emphasis added)

I do not see a reason to change that decision, although DOE still feels that it should be the agency responsible for the various issues concerning rights-of-way except where federal land is involved. I think it is preferable to have one agency (Interior) examine in a unified fashion all the resource and land use issues along the length of a proposed pipeline. Most slurry proposals will involve substantial, but not contiguous, public

()

lands and therefore if DOE's recommendation were to prevail, patchwork analysis would result.

I therefore recommend that you favor the Interior option on the attached OMB memorandum.

Attachment

1/30/78

Mr. President --

David Rubenstein asked that you know that (1) in the original memo, there was no distinction drawn between public/private lands... and (2), although Domestic Policy felt you had previously made a decision on this, DoE questioned the fact that you had.

David was not sure if he had clearly conveyed this over the telephone.

## WASHINGTON

DATE:

25 JAN 78



INFO ONLY: THE VICE PRESIDENT

FRANK MOORE (LES FRANCIS)

JACK WATSON

SUBJECT: MCINTYRE MEMO DATED 1/24/78 RE COAL SLURRY PIPELINE:

RIGHT-OF-WAY DETERMINATION ACROSS PRIVATE LANDS

RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

BY: 1100 AM FRIDAY 27 JAN 78

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:



#### **EXECUTIVE OFFICE OF THE PRESIDENT**

#### OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JAN 2 4 1978

**ACTION** 

**MEMORANDUM FOR:** 

THE PRESIDENT

FROM:

JAMES T. MCINTYRE, JR. (Signed) Jim McIntyre, Jr.

SUBJECT:

Coal Slurry Pipeline: Right-of-way Determination Across Private Lands

#### <u>Background</u>

The major issue of whether DOE or DOI should have responsibility for coal slurry pipeline right-of-way determinations across <u>private</u> lands remains unresolved. It is necessary to resolve this issue so that we can communicate to Congress the complete position of the Administration on Coal Slurry Pipeline legislation (H.R. 1609). The roles of DOE, DOI and DOT in the pipeline certification process already resolved are that:

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  - Department of Interior (DOI) concurrence with regard to a pipeline's impact on water resources, and right-of-way across <u>public</u> lands (but the issue of right-of-way determinations across private lands is unresolved and now requires your decision).
- Joint regulations will be promulgated by DOE, after concurrence by DOI and DOT.

#### Discussion

Who should make the right-of-way determinations across <u>private</u> lands?

<u>DOI</u> argues that since it already has the responsibility for right-of-way determinations across <u>public</u> lands, that it should be the agency to determine right-of-way across <u>private</u> lands. DOI contends that a unified assessment of both public and private lands is necessary to evaluate and deal with the land use, natural resource management and environmental effects of a coal slurry pipeline. DOI strongly believes that the additional option for DOE determination after "consultation" with DOI is illusory since this would take place in any event and is required under other statutes, such as NEPA.

DOE points out that the logic behind the Administration's energy organization legislation which shifted Interstate Commerce Commission and Federal Power Commission pipeline functions to DOE is pertinent to this issue of right-of-way determinations across private lands. DOE is now the certifying agency for oil and gas pipelines. As the certifying agency also for coal slurry pipelines, DOE has the lead responsibility for the provisions of the legislation and will seek concurrence in those areas which are clearly within DOT's and DOI's existing jurisdictions. Such certification action is consistent with current government procedures, e.g. Federal Highway Administration approval of interstate highways. DOE argues that right-of-way determinations across private lands is not within DOI's existing responsibilities.

#### Recommendation

OMB recommends that DOE have responsibility for the right-of-way determinations across <u>private</u> lands, since it is the certifying agency for the whole pipeline. It is not unusual or necessarily unwise for mission agencies to make decisions which have natural resources consequences. Indeed, NEPA was enacted to ensure that those consequences are fully explored and revealed in such situations. As the lead agency, however, DOE should have an affirmative responsibility to consult with DOI with respect to natural resources impacts of the proposed pipeline routes.

#### <u>Decision</u>

	determinations	across	<u>private</u>	lands	should	be	the	responsi-
bility of								

DOE	
DOE after consultation with DOI (OMB)	
DOI	

## THE WHITE HOUSE WASHINGTON January 30, 1978

Hugh Carter

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

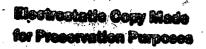
Rick Hutcheson

RE: WEEKLY COMMENT OFFICE

### THE WHITE HOUSE WASHINGTON

FOR STAFFING

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		JORDAN			EXECUTIVE ORDER		
		LIPSHUTZ			Comments due to		
		MOORE			Carp/Huron within		
		POWELL			48 hours; due to		
		WATSON			Staff Secretary		
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## THE PRESIDENT HAS SEEN.

Cesse Submission

## THE WHITE HOUSE

### WASHINGTON

January 27, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

HUGH CARTER

	•				
SUBJECT:	Weekly Comment Office	Report	(Per	Your Reque	<u>est</u> )
CURRENT ISSUES			CON	TOTAL	
Support for A	ttorney General Bell	0	100%	723	
Proposed Tax I Medical Allo	Bill - Deletion of owance	0	100%	497	
	dding Mineral King equoia National Park	100%	0	439	
Decision to Re	eplace David Marston	0	100%	420	
	Remarks on Mike Douglas 78) re: Larry Flynt	0	100%	358	
Wilmington 10	Pardon	100%	0	227	
Increased Quo	ta for Whale Killings	0	100%	203	
Federal Assis Ohio	tance for Snowbound	100%	0	127	
Support for "	Right to Life" March	100%	0	64	
Unclassified				175_	2 0
AGENCY REFERR	ALS				3,2
Justice Depar Defense Depar Veteran's Adm Social Securi Other	tment			17 38 84 157 232	5
MISCELLANEOUS	<u>.</u>				_
Non-Substanti Support White House F				66 2 92	
					1
GRAND TOTAL					3,9

# THE WHITE HOUSE

#### MINUTES OF THE CABINET MEETING

Monday, January 30, 1978

The thirty-ninth meeting of the Cabinet was called to order by the President at 9:01 a.m., Monday, January 30, 1978. All Cabinet members were present except Mr. Blumenthal, who was represented by Deputy Secretary of the Treasury Robert Carswell; Mr. Marshall, represented by Under Secretary of Labor Robert Brown; and Ambassador Young, represented by U.S. Permanent Representative to the Security Council Donald McHenry. Other persons present were:

Joe Aragon
Peter Bourne
Zbigniew Brzezinski
Midge Costanza
Doug Costle
Stu Eizenstat
Jane Frank
Rex Granum
Richard Harden
Robert Lipshutz

Bunny Mitchell
Dick Moe
Frank Moore
Dick Pettigrew
Frank Press
Charles Schultze
Jay Solomon
Stansfield Turner
Charles Warren
John White
Jack Watson

The President asked for comments from Cabinet members, beginning with the Attorney General, who had indicated that he would have to leave the Cabinet meeting early in order to introduce FBI Director-nominee Webster before the Senate Judiciary Committee:

1. The Attorney General said that Assistant Attorney General for Civil Rights, Drew Days, has sent a letter to all Cabinet members requesting that, in light of the impending Bakke decision, the Justice Department undertake an examination of all existing affirmative action programs throughout the government. He noted that out of a very large number of such programs, only three have been reviewed by the Justice Department's Office of Legal Counsel.

- Mr. Bell emphasized that Justice is <u>not</u> proposing a clearance procedure, but rather a process of preventative action to assist agencies in reviewing the legal requirements for such programs.
- -- He noted that there are 6,000 more prisoners than can be accommodated within the existing capacity of federal prisons. A recent Justice Department study shows that 83% of federal prisoners are recidivists who have committed at least one felony in the past.
- 2. Mr. Vance said that Egyptian President Sadat will arrive Friday and spend Friday, Saturday and Sunday with the President. He will remain in the United States for several days thereafter visiting Members of Congress and others. Mr. Vance said that no major announcements or "breakthroughs" are expected to result from the meetings.
- -- He said that Ambassador Andrew Young and British Foreign Minister David Owen are meeting with the Patriotic Front in Malta to discuss Rhodesia.
- -- Discussions are being conducted with the U.S. Senate and Panamanian General Torrijos concerning the possible insertion of some clarifying language in the Panama Canal treaties. The President noted that his fireside chat on the treaties will take place Wednesday of this week.
- 3. Mr. Andrus said that Interior will not be able to meet the February 3 statutory deadline in the surface mining legislation because appropriations for requisite staff have not yet been received.
- -- He stressed that Interior and Agriculture are "not at war" over the excess lands issue, and that press reports to that effect are inaccurate. Interior will make its recommendations to Congress on the subject in late February.
- -- The Attorney General said that the "snail darter" issue, involving an endangered species in a TVA dam, is heating up. The Justice Department has filed a brief reflecting the different positions of OMB and Interior. He will argue the issue personally before the Supreme Court.
- 4. Mr. Califano said that he met earlier in the day with some of the country's leading experts concerning what to do about the Russian flu. They concluded that there is not much that can be done this year, but a vaccine program

may be developed for next year. He said that the Administration is meeting its goal to get 90% of the population immunized against certain diseases: 1.5 million more children have been vaccinated than last year; measles are down 65%; mumps are down 22%; and rubella is down 24% from last year.

- -- He said that there is a real chance of moving the welfare reform legislation in the House in March before the tax reform bill. In his view, this strategy "gives us the best shot at the Senate this year." He said that the President may need to mention the issue at a leadership breakfast.
- 5. Mr. Schultze said that CEA will publish its economic report today.
- 6. Dr. Brzezinski said that last week the NSC met on the African Horn issue; prepared instructions for the U.S. delegation negotiating Indian arms restraints, and prepared options on arms transfers.
- -- The NSC is participating, with State, in bilateral discussions with European allies on security and East/West arms control negotiations.
- -- NSC is developing an interagency proposal for a human rights foundation as well as a Presidential directive on human rights.
- 7. The President said that he called Ray Marshall and his son Chris early this morning, and that both were optimistic about Chris' impending cancer operation.
- -- Mr. Bob Brown said that negotiations in the coal strike broke off early Sunday morning. There seems to be agreement on security issues, but the main economic issues are still to be resolved. The Director of the Federal Mediation and Conciliation Service, Wayne Horvitz, is trying to get the parties together again today.
- -- Dr. Schlesinger said that supplies of coal are low in Ohio, West Virginia and Western Pennsylvania. The Allegheny Power System is now down to 35 days--a situation which could result in layoffs within 9 to 10 days. Mr. Brown commented that these figures may be "a bit soft," and said that the problem in Ohio may be more of a transportation and weather problem than a reserve problem. Ambassador Strauss suggested that several Senators and Governors might be asked to join the coal negotiations in an effort to assist

in their resolution. Mr. Brown said that the situation was too delicate now for such an action, but that it might be considered at a later time.

- 8. Mr. Carswell said that Mr. Blumenthal will be testifying on the tax bill today and for the next several days. General hearings will commence on February 27. He noted that the Business Council and Roundtable are expected to endorse the basic thrust of the President's economic program tomorrow.
- -- He said that the dollar was steady this morning, but that the trade figures will be released this afternoon and could affect it.
- 9. Mr. Bergland said that following the President's meeting with Mexican President Lopez Portillo, USDA has expanded its activities with Mexico. He met Thursday and Friday of last week with Mexican officials in Mexico City and made progress, especially with respect to programs concerning plants and animals. He was impressed with the quality of the officials with whom he dealt, and USDA is considering a formal request from Mexico for non-fat dried milk.
- -- He testified last Wednesday before Senator Talmadge's committee on the farm situation and will testify in the House this week. He said that he flatly rejected the suggestion that the Administration request \$7 billion more for the farmers. The President said that he appreciated Mr. Bergland's firmness.
- -- The President said that he had met recently with Senator Talmadge to discuss the farm situation and other matters.
- 10. Ms. Harris said that she will testify Thursday on the Edwards/Drinan bill to strengthen federal fair housing laws by providing HUD with cease and desist powers, new litigation authority and awards of damages. Her testimony was deferred last fall at the request of Justice and OMB, who still have problems with the legislation. She said that, although she can meet some of OMB's and Justice's objections, she disagrees with their objection to the constitutionality of certain actions of municipalities. She said that, in her view, a "grudging" attitude about this legislation would be wrong. The Vice President noted that he was the original author of the bill, and that he introduced it when Ramsey Clark was Attorney General.

- -- Ms. Harris said that she testified last week at the first oversight hearing by Senator Proxmire's committee, and that the hearing went very well.
- -- Ms. Harris noted that Governor Julian Carroll is somewhat unhappy because the Tug Valley area of Kentucky was not declared a disaster area. He has withdrawn his request for the declaration but is now seeking other forms of federal aid.
- -- She complimented Mr. Blumenthal and the Treasury Department for their cooperation in reviewing some anomalies in the new tax bill.
- 11. Dr. Schlesinger said that electric power is being shipped into West Virginia in order to alleviate the decline in coal supplies.
- -- He said that Allegheny Power is likely to have mandatory curtailments within the next ten days; American Electric Power will follow within two weeks thereafter. To ease the situation, DOE is considering shutting down the gaseous diffusion process. He noted that the distribution of coal is a problem: conveyor belts work in one direction for most sites. There is also concern about being accused of strike breaking if coal from outside sources is delivered. Mr. Brown noted that they should not be concerned about illegal activity, since the NLRB is likely to issue injunctions this week.
- -- Dr. Schlesinger testified before the House Science and Technology Committee on DOE's budget. Only minor objections were raised.
- -- DOE has approximately eighty people working with the Canadians in an effort to find the debris of the Soviet satellite. He noted that the Air Force is providing excellent cooperation.
- -- He said that Senator Jackson is still attempting to find the necessary nine votes for the natural gas portion of the national energy plan. He will know whether the votes are there early this week. Dr. Schlesinger said that the President should consider Administrative action if the Congress fails to act by Lincoln's birthday.
- 12. Ambassador Strauss outlined the status of trade negotiations with Japan. He said that the LDC's have been helpful.

- -- In his view, trade will be a highly visible issue once the energy legislation is passed, and it will be even more important for the U.S. to stress the positive aspects of our trade situation. He is working with the Commerce Department to set up a major trade solicitation program.
- 13. Mr. McIntyre said that hearings on the FY 79 budget will begin this week and continue into next week.
- 14. Mr. Adams said that he will deliver a speech today on the Washington Metro system.
- -- He will testify later this week on the transportation bill which has been introduced in both the House and Senate and which, he believes, has a good chance of passage.
- -- He said that three or four bills can pass this year in the transportation area. He has had discussions on this subject with House Speaker O'Neill. He requested a few minutes after the Cabinet meeting to confer with the President and Frank Moore on waterway user fees. The President agreed.
- -- The President asked about the status of the coal slurry pipelines. Mr. Adams said that OMB is reviewing the situation and that, in his opinion, it would not be advisable to build slurry pipelines in the mid-West in light of the bankruptcy of several railroads there. He described the situation as "delicate."
- 15. Ms. Kreps called attention to the White House Conference on Balanced National Growth and Economic Development, which began last night and will last until Thursday noon, February 2. She noted that several members of the Administration, including the President, Vice President, Messrs. Watson, Eizenstat, Bergland, Bob Brown, Ms. Harris and herself, are on the program. There will also be a public forum at which 200 witnesses will testify. She commended the White House staff, and particularly Jane Frank, for their excellent help in putting the Conference together.
- 16. Dr. Brown said that the President's visit to the Pentagon on Saturday morning was very productive.
- -- Dr. Brown visited three states last week--Arizona, Nebraska and Missouri--to speak on the Panama Canal treaties and spoke by telephone hook-up to a group in New Mexico. In each case, the format was a press conference, then a speech followed by questions and answers. In his view, people are beginning to understand the Panama situation better. He believes that the general "unease" about the

treaties derives chiefly from the belief that they are part of a general retreat of American power and influence. It will take time to overcome that attitude.

- -- He said that Operation Smoky and a whole series of tests in the 1950's in Nevada are now getting attention because of alleged after effects. He noted there was less understanding and less concern at the time the tests were done, so that records of who was there are inadequate; DOD is working closely with HEW and DOL to follow up on the matter. Dr. Brown said that he was present at some of the tests and that he always had a radiation badge. response to a question from the President, Dr. Brown noted that at least one member of each group in an area was supposed to have such a badge. Mr. Califano said that the Center for Disease Control (CDC) is concerned that the incidence of lukemia in connection with these tests (if the results prove statistically meaningful) may indicate that more cancers result from low levels of radiation than previously thought.
- -- Dr. Brown said that this evening he and DOD Deputy Secretary Charles Duncan are hosting a small dinner for business and professional persons and educators as part of an on-going program. Their goals are to acquaint such people with the Administration's national security policies, and to find out from them what their concerns are.
- -- Dr. Brown will testify this week before the Senate and the House Authorization and Appropriations Committees on the DOD budget. He noted that the testimony will go on for seven straight weekdays.
- -- The B-l deappropriation will be before the Senate again on Wednesday. Dr. Brown is working with Frank Moore on the issue and said that the chances are better than 50% that the Senate will deappropriate the funds. The President asked the entire Cabinet to help contact members of the Senate with whom they are well acquainted, and he asked Frank Moore to coordinate this effort. He described the building of B-l aircraft 5 and 6 as a "half billion dollar total waste."
- 17. The President said that he still receives complaints from Members of Congress that they are not notified of grants in their districts. He asked Cabinet members personally to double-check in their departments and to raise the subject at their next staff meeting. Ms. Harris asked to be notified each time an error of this kind occurs regarding HUD. The President said that Frank Moore's staff will try to do this in each case.

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- 18. The President said that some crucial votes are coming up in Congress this session. The Panama Canal treaties and the national energy plan are two of the most important. He commended the Cabinet for its hard work in promoting the energy legislation.
- -- He will hold a press conference this afternoon and predicted that the Panama Canal, energy and Marston issues are the ones most likely to arise.
- -- The President noted that, because of his background, he is interested in keeping in close touch with the military in various ways, including frequent meetings with the Joint Chiefs and visits on aircraft, nuclear submarines, etc. He has generated a compatability among the strategic planners of our Government unknown in former Administrations. He commended Dr. Brown for his leadership.
- -- The President asked Mr. Eizenstat to set up a meeting with interested Cabinet members and himself on the remaining issues in the Civil Service reorganization proposal.
- -- Ambassador Strauss said that the recent meeting of mayors in the White House was very successful. He urged the President to have additional meetings with a variety of groups, including ethnic groups. The President said that he met in recent weeks with certain business groups, machinist and aerospace workers, and consumers; he will soon meet with church leaders on the Panama Canal treaties. He agreed with Ambassador Strauss that weekly meetings with such groups should be held and urged Cabinet members to come on their own initiative to such meetings at the White House whenever they are asked to do so.

The meeting was adjourned by the President at 10:27 a.m.

Respectfully submitted,

ack H. Watson, Jr.

PRESIDENT JIMMY CARTER
OPENING STATEMENT
News Conference, January 30, 1978

I WOULD LIKE TO REVIEW BRIEFLY FOR YOU MY PROPOSALS FOR REFORMING OUR TAX CODE, REDUCING TAXES, CONTINUING TO REDUCE THE UNEIPLOYMENT RATE, AND CONTROLLING INFLATION.

THESE PROPOSALS ARE THE CENTERPIECE OF THIS ADMINISTRATION'S ECONOMIC PROGRAM FOR 1978.

2

ECONOMIC POLICY DEPENDS FOR ITS SUCCESS ON A CAREFUL BALANCE-BETWEEN DIFFERENT INTERESTS, BETWEEN SOMETIMES-CONFLICTING NATIONAL
NEEDS, BETWEEN DOING TOO MUCH AND DOING TOO LITTLE.

TO MODIFY ONE ELEMENT OF A PLAN CAN OFTEN DESTROY THE BALANCE AND THUS AGGRAVATE OUR ECONOMIC PROBLEMS.

I WANT TO EMPHASIZE FOUR ELEMENTS OF OUR PROPOSALS THAT REFLECT THIS CAREFUL BALANCE.

FIRST, TAX REDUCTIONS. WE HAVE PROPOSED A NET TAX REDUCTION OF \$25 BILLION, DESIGNED TO CREATE ALMOST A MILLION NEW JOBS BY THE END OF 1979.

IF THEY ARE ENACTED, THE ECONOMY SHOULD CONTINUE TO GROW AT A RATE OF 4-1/2 TO 5 PERCENT, UNEMPLOYMENT SHOULD FALL BELOW 6 PERCENT BY THE END OF NEXT YEAR.

4

FOR THE VAST MAJORITY OF TAXPAYERS THESE REDUCTIONS WILL OFFSET THE INCREASE IN RATES THAT WAS NECESSARY TO PREVENT BANKRUPTCY OF THE SOCIAL SECURITY SYSTEM.

DOLLAR FOR DOLLAR, THE TAX REDUCTIONS WILL OUTWEIGH THOSE

INCREASES BY THREE-TO-ONE BOTH THIS YEAR AND IN CALENDAR YEAR 1979.

SECOND, OUR TAX REFORM PROPOSALS ALLOW US TO HAVE AN IMMEDIATE TAX REDUCTION, WHILE MAKING SUBSTANTIAL PROGRESS TOWARD COMPREHENSIVE REFORM -- A SIMPLER AND FAIRER SYSTEM.

WITHOUT THESE NEEDED REFORMS, WE WOULD NOT BE ABLE TO AFFORD SO LARGE A TAX REDUCTION.

6

THIRD, JOBS. I HAVE ASKED FOR OVER \$700 MILLION MORE IN NEW FUNDS FOR YOUTH JOBS AND IN ADDITION HAVE ASKED CONGRESS TO CONTINUE THE HIGH LEVEL OF PUBLIC SERVICE JOBS FOR FY 1979 -- MORE THAN TWICE AS MANY AS A YEAR AGO.

I WILL SHORTLY FORWARD TO CONGRESS A \$400 MILLION PROGRAM
TO ENCOURAGE PRIVATE BUSINESSES TO HIRE THE HARD-CORE UNEMPLOYED.



WE ARE BALANCING THE NEED FOR PUBLIC SERVICE EMPLOYMENT WITH THE NEED FOR PRIVATE OPPORTUNITIES TO REDUCE UNEMPLOYMENT.

FOURTH, INFLATION. OUR PROGRAM IS <u>VOLUNTARY</u>, REQUIRING THE COOPERATION OF GOVERNMENT, LBAOR, MANAGEMENT, AND ALL OUR CITIZENS.

I HAVE ASKED EACH GROUP TO HOLD ITS INCREASES IN WAGES OR PRICES BELOW THE LEVEL IT AVERAGED FOR THE LAST TWO YEARS.

THIS FAIR, FLEXIBLE PROGRAM WILL NOT STOP INFLATION OVERNIGHT, BUT IS OUR BEST HOPE FOR BRINGING IT UNDER CONTROL.

WE CANNOT LET INFLATION OVERTAKE US WITHOUT ANY ACTION.

IN SUM, WE HAVE PROPOSED AN ECONOMIC PROGRAM WHICH IS

BALANCED. IT WILL NOT PLEASE EVERYONE. AS I SAID IN MY STATE OF

THE UNION ADDRESS, WE CANNOT DO EVERYTHING FOR EVERYBODY.

WE MUST BE WILLING TO FACE DIFFICULT DECISIONS.

IN DEVELOPING OUR ECONOMIC PROGRAM, WE HAVE MADE DIFFICULT DECISIONS, AND WE HAVE PROPOSED AN ECONOMIC PROGRAM THAT WILL SUSTAIN GROWTH, INCREASE EMPLOYMENT AND REDUCE INFLATION.

# # #

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#### THE PRESIDENT'S SCHEDULE

## Saturday - January 28, 1978

- 7:00 Depart South Grounds via Motorcade en route Bethesda Naval Hospital.
- 7:30 Annual Physical Examination.
- 9:55 Depart Bethesda Naval Hospital en route Pentagon.
- 10:25 Arrive National Military Command Center, Pentagon.
- 10:30 Meeting National Military Command Center.
- 11:50 Depart the Pentagon en route South Grounds.
- 11:55 Arrive South Grounds.



#### THE WHITE HOUSE

WASHINGTON

January 30, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

TIM KRAFT TK

SUBJECT:

Camp David/Sadat

I've talked with Brzezinski about the tentative schedule he presented to you and to Evan Dobelle, who has been talking with Ambassador Ghorbal. The latter informs me that President Sadat is at this time tentatively scheduled to arrive at Andrews Air Force Base (flying from Morocco) at 3 p.m. on Friday, February 3rd. He will bring with him Mrs. Sadat, one son and son's fiancee, two daughters and one son-in-law.

The following is a proposed schedule for that weekend:

#### FRIDAY, FEBRUARY 3, 1978

3:00 p.m.

You and Rosalynn Carter go to Camp David as scheduled.

Sadat, upon arrival, will be met by Secretary Vance, and taken to

Blair House. RON. Sadati Centres Supper

SATURDAY, FEBRUARY 4, 1978

9:15 a.m.

Sadat departs Blair House; motorcades to Ellipse, choppers to Camp David,

arriying 9:55 a,m.

10:00 a.m. to 11:00 a.m.

Sadato/Cartes Carter, Sadat' -- private meeting.

Expanded meeting.

11:00 a.m. to 12:30 p.m.

12:30 p.m.

Working lunch.

2:00 p.m. to

Free time.

5:00 p.m.

5:00 p.m. to 6:30 p.m.

Expanded meeting. Lophon only

feet, simple b) flexible

7:30 p.m.

Dinner, Carter and Sadat families.

Mostitudette Copy Made to Prepare

## SUNDAY, FEBRUARY 5, 1978

	Sunday Mos	rning President to appear family cou	Sadat is tentativel on network news pro lld remain at Camp I	ogram;
Sad	Sunday Af	ternoon Final meet		ded r/Sadat only
he stay	Sunday Mos Sunday Af- Sunday Eve Sunday	ening Possible of gressional Brzezinski might be i if so, Sur and he cou Hill leade	linner for Sadat and leaders. This was memo. It appears in Washington throughday night might be ald breakfast or lusters Monday or Tuesday.	s in that Sadat gh Wednesday kept open, nch with
· 1	I assume you want t David for the meeti on what to expect; not just indicate w	rather than throw a	ive the Camp some g	uidance
	White House	National Security	y Council Stat	e Department
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	One last point: I the press for inter in front of Aspen, precedent for this, pool shot at the he	rior shots at the etc. I strongly re , and limit any pre	e Laurel Lodge Conf ecommend that we do	erence Room, not break
	of press	APPROVE	DISAPPROVE	